

SENATE BILL 1548

By Berke

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 4, Part 21, relative to credits against  
franchise and excise tax liability and to enact the  
Tennessee Small Business Job Tax Credit Act.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, Part 21, is amended by  
adding the following as a new, appropriately designated section:

67-4-21\_\_.

(a) This section shall be known and may be cited as the "Tennessee  
Small Business Job Tax Credit Act."

(b) Any business employing five (5) or fewer employees shall be entitled  
to refundable tax credits against the taxes imposed by this part, and by the  
Excise Tax Law of 1999, compiled in part 20 of this chapter, equal to four  
thousand five hundred dollars (\$4,500) for each new full-time employee job or  
capital investment created during the tax year, subject to the requirements of this  
section.

(c) To qualify for the credit, the amount of a capital investment shall be  
one hundred thousand dollars (\$100,000) in real property, tangible personal  
property or computer software owned or leased in this state valued in  
accordance with generally accepted accounting principles, and the taxpayer shall  
create at least five (5) new full-time employee jobs within the tax year. Any new  
employee hired in the tax year shall not be a spouse, parent, sibling, son or  
daughter of the taxpayer.

(d) A taxpayer shall claim the tax credit by filing an application in the manner prescribed by the commissioner and attaching the tentative tax credit certification granted by the department. Tentative tax credits expire after the end of the tax year following the year the tentative tax credit was certified. The total lifetime tax credits claimed by any one (1) taxpayer under this act shall be limited to seventy-five thousand dollars (\$75,000).

SECTION 2. This act shall take effect July 1, 2011, the public welfare requiring it.